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Aigboje Aig-Imoukhuede
Managing Director/Chief Executive Officer



Year 2004 exceeded our expectations in several respects but however one or two things went badly.

2004 was a year of tremendous financial growth. The bank's balance sheet grew by over 100% to close at ₦82 Billion positioning us as one of Nigeria's largest financial institutions, whilst our shareholders funds increased by more than 500 % to over ₦14 billion placing us amongst the select group of banks that will anchor the Central Bank of Nigeria's consolidation process.

Another notable milestone recorded during the year was the seamless and successful upgrade of our bank's technology platform to Flexcube UBS Version 6.2, thus putting us at the forefront of world class banking services. This achievement has since won for our bank a number of international awards.

Despite these remarkable achievements our bank recorded some set backs in 2004, largely attributable to the uncertainties,

turbulence and administrative delays that followed the wake of new regulations introduced to govern the recapitalisation efforts of the Nigerian banking industry. Realizing that if we did not successfully overcome the monumental challenges of recapitalization survival of our franchise could be at risk; we took a deliberate and conscious decision to concentrate all our corporate resources towards ensuring the successful completion of our public offer. Our decision had a negative impact on our extremely profitable trade finance business, as we lost significant share of our customers' business. We were also hurt by the increase in our non-performing loan portfolio, which can be traced to the deteriorating financial condition of customers in the middle market sector of the Nigerian economy.

These setbacks however justifiable, leave us disappointed that we have fallen short of the expectations of our shareholders. We have therefore taken the necessary steps to ensure that we restore our profit to the level

commensurate with our industry position.

CONSOLIDATION

It has been 3 years since we embarked on our bold enterprise transformation agenda to propel Access Bank from its erstwhile lackluster position in the banking industry to the rank of leading Nigerian banks.

As early as March 2002 we anticipated that consolidation in the Nigerian banking industry was inevitable and thus embarked on an aggressive growth programme to prepare us for the challenges of consolidation. By 2004, having leapfrogged from obscurity to rank as one of Nigeria's 15 largest banks, we took the important step of engaging a leading global financial institution, HSBC, to act as the Bank's financial adviser on Mergers and Acquisitions. The CBN's drive for banking industry consolidation therefore met us well prepared and simply served as a catalyst for accelerating our growth programme.

Following a painstaking and rigorous process

Herbert Wigwe
Deputy Managing Director



guided by best practice, we are now in the process of completing a merger with 2 respected Nigerian banks - Capital Bank International Ltd (Formerly Commercial Bank Credit Lyonnaise Ltd) and Marina International Bank Ltd. Both institutions enjoy legacies of credible foreign ownership and management of over several years; this important attribute is reflected in the quality of their governance structures, processes and customers.

Our choice of merger partners has been driven by the striking complementarities between the 3 institutions and the practical realities that shareholder value will only be maximized where the combining entities can be integrated into one bank seamlessly and in a timely fashion. We have engaged the services of world-class advisers such as Accenture to advise and support us in the integration process, which is being carried out in line with international best practices. It is expected that the merger and integration of our partners into Access Bank Plc would be

completed by December 2005.

CORPORATE RENEWAL

Any company that aspires to lead the industry within which it competes must recognize that it is in a constant state of “work in progress”. As we commence the process of integrating our merger partners into our bank we are simultaneously developing a plan designed to further strengthen and invigorate Access Bank Plc.

The plan will ensure that we are positioned to face the monumental challenges of competing in an industry where the competitive landscape has change fundamentally. Our plan will ensure that we deliver superior returns to our shareholders on a vastly increased capital base; redefine our brand to enable rapid penetration of new markets we intend to serve; and ensure our culture, processes and performance management practices are in total alignment with our targeted corporate objectives.

We believe that given the significant level of resources now available to Access Bank Plc there is no limit to what we can accomplish.

OUR PEOPLE

It is widely acknowledged that the success of our public offer was largely due to the passion and dedication displayed by the employees of the Bank throughout the public offer period. Their outstanding marketing effort shows that our people care about their bank and will always do what is right to ensure its long-term success. We take this opportunity once more to express our deep appreciation for their efforts. We shall continue to make Access Bank Plc an environment that attracts people who are committed to the Quest for Excellence.

THE FUTURE

The new Access Bank will within the next five years be a top five bank in Nigeria by balance sheet size with presence in at least 1 key international financial center. Our bank will be known for its strong retail franchise and

acknowledged as a ferocious competitor for low cost deposits from retail customers in major cities.

We will be a market leader in service delivery in all our locations with branches well located in metropolitan centers in Nigeria with attractive demographic characteristics.

We will be a dominant force in deploying cash management solutions to top tier corporates with strong linkages and interconnect with our retail customer base.

We will be the leading trade finance bank in Nigeria and shall maintain strategic investments in businesses, which are complementary to our objectives.

A WORD OF THANKS

We want to express our thanks to Mr. Michael Ayo Oni our past Chairman who retired during the year, following 6 years of dedicated service to our bank. He will be sorely missed but we trust he will remain active as a valued shareholder of the bank.

We also want to thank all other shareholders whose support and dedication have been key to our company's emergence from obscurity to a position of leadership in the Nigerian Banking Industry.

Finally, we give our thanks to the Almighty without whom it would not be possible.

God Bless.





Access Bank Plc

133% Oversubscribed

Board of Directors



Gbenga Oyebode MFR
Chairman



Aigboje Aig-Imoukhuede
Managing Director/CEO



Herbert Wigwe
Deputy Managing Director

HRH, Oba Shafi A. Sule
Director



Cosmas M. Maduka
Director



Oritsedere S. Otubu
Director



Taukeme Koroye
Executive Director



Okey Nwuke
Executive Director



Corporate Governance has continued to play a critical role in the success and failure of companies worldwide. To ensure that Banks and other financial institutions operating in Nigeria are in alignment with international best practices, the Central Bank of Nigeria in August 2003 released the Code of Corporate Governance for Banks and other financial institutions.

The Code made extensive provisions on the role and responsibility of the Board of Directors, structure of the Board of Directors, appointment to the Board, proceedings of the Board of Directors, Disclosure of Directors, Directors Remuneration, Risk Management and Financial Disclosure among other things. This is with a view to ensuring that Banks and other financial institutions observe a strong corporate governance ethos. Though the Code is voluntary, Banks and other financial institutions are enjoined and encouraged to adopt same by ensuring that their internal Corporate Governance codes are

consistent with its provisions and in line with existing laws and regulations.

Some of the major principles underlying the Code are:

- That the Board should exercise responsibility, leadership, enterprise, integrity and judgement in directing the institution so as to achieve continuing prosperity for the institution and act in its best interest in a manner based on transparency, accountability and equity. Every institution should be headed by an effective Board that can be led and controlled by the institution.
- That the Board should include a balance of executive and non-executive directors (including independent non-executives) such that no individual or group of individuals can dominate the Board's decision making process.
- That there should be a formal and transparent procedure for the appointment

of new directors to the Board.

- That institutions should establish a formal and transparent procedure for developing policies on executive remuneration packages of individual directors. No director should be involved in approving his or her own remuneration. Level of remuneration should be sufficient to attract and retain the directors needed to run the company successfully but institutions should avoid paying more than is necessary for this purpose. A proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performances.
- That the Board must identify key risk areas and key performance indicators of the business enterprise and monitor these factors.
- That the Board should serve the genuine interest of the shareholders of the institution and account to them fully.

COMPLIANCE WITH THE CODE

At Access Bank, we have continuously imbibed the highest standards of Corporate Governance and best practices far and above the standards recommended by the regulatory authorities. Our success as a Bank could be attributed to the openness and transparent manner in which our business and operations are carried out.

BOARD OF DIRECTORS

The Board of Directors consists of nine (9) members, three (3) Executive Directors and six (6) Non-Executive Directors. The Board is headed by a Chairman, a Non-Executive Director appointed by the Board. Details of the Directors are provided in the Annual Report. Appointment to the Board is made by shareholders at the Annual General Meeting upon the recommendation of the Board of Directors.

The oversight functions of the Board are performed through its various committees namely: The Board Audit Committee; Board

Credit & Finance Committee and the Board Committee on Human Resources and the Board Technical Committees. These Committees are constituted as follows:

BOARD AUDIT COMMITTEE

Mr. Gbenga Oyebode
Mr. Oritsedere Otubu
Mr. Taukeme Koroye
Mr. Aigboje Aig-Imoukhuede
Mr. Herbert Wigwe

BOARD CREDIT & FINANCE COMMITTEE

HRH Oba Shafi Sule
Dr. Cosmas Maduka
Mr. Gbenga Oyebode
Mr. Aigboje Aig-Imoukhuede
Mr. Herbert Wigwe

BOARD COMMITTEE ON HUMAN RESOURCES

HRH Oba S.A. Sule
Mr. Gbenga Oyebode
Mr. Aigboje Aig-Imoukhuede

Mr. Herbert Wigwe

BOARD TECHNICAL COMMITTEE

Mr. Gbenga Oyebode
Mr. Aigboje Aig-Imoukhuede
Mr. Herbert Wigwe

All the Committees apart from the Board Technical Committee meet once every quarter and report to the full Board on a quarterly basis. The Board Technical Committee was created specifically to oversee the Bank's recapitalisation and consolidation strategies, and meets as required with regular reports made to the full Board.

REMUNERATION OF DIRECTORS

The Shareholders at the Bank's Annual General meeting set and approve the annual remuneration of the members of the Board of Directors. The annual emoluments of the Directors are stated in the Bank's Annual Report.

GENERAL MEETING OF SHAREHOLDERS

A general meeting of shareholders is held once a year. An Extraordinary General Meeting of Shareholders may also be convened upon the request of Board or shareholders holding not less than 10% of the paid up capital of the Bank.

CAPITAL AND SHARES

The authorized share capital of the Bank is N6 billion divided into 12 billion ordinary shares of 50 kobo each out of which ₦3,977,632,650 divided into 7,955,265,300 ordinary shares have been issued and fully paid. The shares are held by over 90,000 shareholders and are quoted on the floor of the Nigerian Stock Exchange.

INTERNAL AUDIT

The Bank has an Internal Audit Charter for its internal audit exercise. The Charter isolates and insulates the Internal Audit Department from the control and influence of the Executive management and also frees staff

within the internal audit unit from operational and management responsibility that could impair their ability to make independent review of all aspects of the Bank's operations. Under the Charter, the Internal Auditors report directly to the Board.

SHAREHOLDERS AUDIT COMMITTEE

In compliance with section 359 of the Company and Allied Matters Act, the Bank has a standing Shareholders Audit Committee constituted by 6 members made of equal numbers of Directors and shareholders namely:

- Mr. Kayode Ayeni
- Mr. Emmanuel Eleoramo
- Mr. Gbenga Oyebode
- Alhaji Ibrahim Dankwambo
- Mr. Oritsedere Otubu
- Dr. Cosmas Maduka

Leadership



**Ademola
Oladaiye**
General Manager



Angela Ebagua
General Manager



Innocent Ike
Deputy General
Manager



Bolaji Agbede
Deputy General
Manager



Obinna Nwosu
Deputy General
Manager



Sina Joseph
Deputy General
Manager



Victor Etuokwu
Deputy General
Manager



Yomi Akapo
Deputy General
Manager



Pattison Boleigha
Assistant General
Manager



Arese Alonge
Assistant General
Manager



Tunde Balogun
Assistant General
Manager



**Roosevelt
Ogbonna**
Assistant General
Manager



Leadership



Iyabo Soji-Okusanya
Assistant General Manager



Sufiyanu Garba
Assistant General Manager



Tunde Jenrola
Senior Manager

Yinka Tiamiyu
Senior Manager



Dapo Olagunju
Senior Manager



Dele Laiyeni
Senior Manager



Fatai Oladipo
Senior Manager



Hadiza Ambursa
Senior Manager



Rogers Nwoke
Senior Manager

Rowly Isioro
Senior Manager



Santhos Aroh
Senior Manager



Seyi Kumapayi
Senior Manager



People



Access Bank people are driven by the desire to constantly excel. We are prepared to challenge the status quo to improve our business practices and attain world-class standards in all that we do.

Our ability to delight and add value to our customers is the key difference between the competition and us. We are passionate about providing unparalleled levels of service to our customers across all touch points.

As we pursue our professional responsibilities, we are exposed to a world class working environment and enjoy employment conditions that stimulate the spirit of enterprise, creativity and excellence within us.

For us, infusing the spirit of continuous learning in our people and grooming them to emerge as future leaders of the banking industry is crucial to ensuring the long-term achievement of the bank's unique vision and culture.

We are proud that beyond everyday banking, we have gifted young members of staff engaged in endeavors that contribute to the enrichment of society.

Our people are our pride and greatest asset.



International Footprint

- North America (US EXIM)
- ◆ Europe (FMO)
- Europe (EIB)
- ▲ Africa (AFREXIM)

Building a truly world-class financial institution requires that relevant alliances and partnerships be established, nurtured and harnessed to take advantage of the varied

multilateral agency, de Nederlandse Financierings Maatschappij voor Ontwikkelingslanden N.V ("FMO"). The Bank is also one of the select group of Nigerian banks with collaborative

Propelled by a desire to stimulate significant value-added and growth in the economy, we established a number of correspondent banking

opportunities and possibilities that present themselves on a global scale.



relationships with first class foreign financial institutions towards the creation of trade

Our bank has established strong partnerships with leading international development finance institutions to facilitate access to medium - long-term financing by customers with such funding needs. Our bank is one of only a handful of banks in Nigeria who have facilities with the Dutch

relationships with international financial agencies such as African Export-Import (AFREXIM) Bank, US EXIM, and European Investment Bank ("EIB"). The Bank is proud to have made a significant and positive impact on the lives of its customers.

finance lines of credit for customers, particularly in the oil and gas sector. The institutions include Citibank, HSBC, BNP Paribas, ANZ and Deutsche Bank. Access Bank is recognized today as a major facilitator of import and export transactions between Nigeria and the rest of the world.

Our relationship with our foreign correspondents led to creative trade finance



structures and an expansion in our credit limit to over USD 100 million. This unprecedented growth serves as a confirmation of the increased level of confidence and respect that we now attract from key international financial institutions. With such high level financial structuring, our deal making and packaging capacity as a bank is strengthened and serves to position us a domestic bank of choice in the international finance arena.

With increasing cross border foreign partnerships and activities of this nature, our bank is stamping its presence in the global finance community and this conceivably

opens fresh vistas for consummating new profitable relationships.

In August 2004, our bank won the Afrexim Bank 2004 Silver Award in recognition of its exceptional contribution to the growth and development of the real sector. The Bank will continue to partner or enter into alliances with foreign organizations with genuine interest in the economic growth and development of Nigeria to ensure that it continues to provide a gateway for foreign investment into Nigeria.

IT DATA CENTRE



Consistent with our desire to bring world class banking to customers and after an extensive due diligence review by KPMG International, we took a bold decision to upgrade our existing Flexcube Application to the latest version 6.2, a browser-enabled version. This ground-breaking upgrade positioned Access Bank as the 1st bank in Africa to implement the latest version of Flexcube and the 2nd most advanced Flexcube user in the world after one of India's biggest banks – Syndicate Bank. In recognition of this, our bank received the Hewlett Packard award for the best implementation of a core-banking infrastructure in West Africa. Flexcube 6.2 was, for the second consecutive year, voted as the world's best banking application.

These exploits have no doubt put Nigeria at the forefront of world-class banking services. To effectively support this upgrade, we have invested significantly in state-of-the art telecommunications infrastructure and our staff have undergone rigorous training and

exposure both locally and internationally.

The Internet is increasingly playing crucial roles in service delivery. During the year we rebuilt our official website to become a most versatile branch in terms of customer interaction and information dissemination. We have created a supporting framework to continually fine-tune and upgrade this website to provide excellent service delivery and customer satisfaction. In recognition of this, Phillips Consulting rated our bank's website the 3rd Best Overall in its 2004 Web Jurist Awards.

Our network platform was also upgraded to the recent versions of Microsoft suites with capacity to add more branches seamlessly on the enterprise platform with a robust and segmented Local Area Network. Furthermore, we also implemented wired links to replace the conventional radio links where available within Lagos and upcountry locations with redundancies built into our entire telecommunication infrastructure towards

achieving a zero downtime operating environment.

With the high state of our IT enterprise preparedness, our bank is poised to quickly accommodate the anticipated geometric leaps in customer and transaction volumes, post consolidation, while leaving our competitors to play catch up.

A major thrust of our organic growth strategy was to build a network of branches that would position us as a National Settlement Bank. This desire was greatly influenced by our belief then that size and coverage would become key competitive factors in the Nigerian banking industry.

The Central Bank of Nigeria confirmed this belief in 2003 when it established the Settlement Banking Scheme in April 2004.

All the criteria for Settlement Banking were based on geographical spread and financial size, and these conferred important competitive advantages on the selected banks. This was a clear confirmation of the validity of our strategic foresight.

We have since then positioned ourselves irrevocably to activate our presence in all CBN clearing centers. We have opened additional

branches covering Kebbi, Maiduguri, Bauchi, Markurdi, Uyo, Benin, Sokoto, Minna, Illorin, Idejo (Lagos) and our second branch at Apapa.

Additionally, we have made substantial investment in payments and settlement infrastructure and collaborative alliances required to facilitate our soon emergence as a dominant Payment and Settlement solutions provider in Nigeria. For instance we have set aside the financial resources needed to establish the mandatory Nigerian Treasury Bills collateral required for appointment as a Settlement Bank, we are now members of all recognized clearing platforms and arrangements in Nigeria including Central Securities Clearing System "CSCS" and Valucard etc.

Having put in place the requisite infrastructure and systems, our bank is

poised to assume an industry leadership position in the provision of innovative Payment and Cash Management solutions to our valued customers irrespective of place, time and distance.

Branch Network



Allen Avenue, Ikeja



Bida Road, Off Yakubu Gowon Road,
Kaduna



Danmole/Idejo Street,
Victoria Island



Trans Amadi, Port Harcourt



Commercial Road, Apapa



Oyemekun Road, Akure



Dugbe Market, Ibadan



Gibbs Road, Off Oron Road,
Uyo

ABA

69, Azikiwe Road, Aba,
Abia State
Tel: 082-222965-7, 223418, 223613

ABEOKUTA

14, Labulu Street, Oke Ilewo, Abeokuta.

ABUJA

Plot 1175, Aminu Kano
Crescent, Wuse II, Abuja
Tel: 09-5237289-91, 5231495.

AGUDA

Plot 1/3, Enitan Street,
Aguda, Surulere, Lagos
Tel: 01-4804174, 8129494

AKURE

17, Oyemekun Road, Akure, Ondo State
Tel: 034-244936, 243843.

APAPA

4, Burma Road, Apapa, Lagos
Tel: 01-5875834, 5873954,
5871532

APAPA 2

10, Commercial Road, Apapa, Lagos.
Tel: 01-2704226-7

ASABA

304, Nnebisi Road, Asaba
Tel: 056-282907, 911

BAUCHI

24, M/Muhammed Way, Bauchi
Tel: 077 546822 - 4.

BENIN CITY

45 Akpakpava Street,
Benin City, Edo State.
Tel: 052-259860, 259897.

BROAD STREET

115/117, Broad Street, Lagos.
Tel: 01-2667360-2325, 2641574-6.

CALABAR

45, M/Muhammed Highway, Calabar.
Tel: 087-238873-8.

ENUGU

46, Ogui Road, Enugu.
Tel: 042-257802, 257200.

GOMBE

8, New Market Road, Gombe.
Tel: 072-221369, 221649, 2239569.

IBADAN

Plot 1, Old Dugbe Mkt Scheme,
Dugbe Mkt., Ibadan.
Tel: 02-2414963, 2413400-3021.

IDEJO

Plot 1617A,
Danmole/Idejo Street,
V/Island, Lagos.
Tel: 01-4613250-9, 2705591-3

IDUMOTA

16, Obun-Eko Street,
Idumota, Lagos.
Tel: 01-4800789, 2664551, 2631789.

IKEJA

Access Bank House,
84, Allen Avenue, Ikeja, Lagos.
Tel: 01-4938007-9, 44938011, 5045571.

IKORODU

7, Ayangburen Road, Ikorodu, Lagos
Tel: 01-7781246, 7780553.

ILORIN

Stadium Shopping Complex,
Taiwo Road, Ilorin.

JOS

28A, Rwang Pam Road, Jos.
Tel: 073-452111, 452113-5.

KADUNA

16/20, Bida Road,
Off Yakubu Gowon Road Kaduna
Tel: 062-214551-2, 24261-22.

KANO

12B, Post Office Road, Kano
Tel: 064-640747-9, 311917

KATSINA

IBB Way, Katsina
(Directly opposite Intercity Bank)

KEBBI

1, Jos Road, Birnin Kebbi
Tel: 068-320959, 320951,
320949, 320953, 320956.

MAIDUGURI

Sir Kashim Ibrahim Way, Maiduguri,
Borno State.
Tel: 076-231839, 230001, 281872.

MAKURDI

5, Ogiri Oko Road,
GRA - Makurdi
Tel: 044-534214, 534685.

MINNA

NICON Building,
1, Bank Road, Minna.

ONIKAN

30, King George V Road,
Onikan, Lagos
Tel: 01-2641504, 4804175.

ONITSHA

62, New Market Road,
Onitsha, Anambra State.
Tel: 046-215368, 212153, 212149

OSOGBO

Plot 2, Aiyedun Layout
(Near Governor's Office)
Gbongan Road, Osogbo,
Osun State.
Tel: 035-243727, 240315

OWERRI

PORT-HARCOURT I

Plot 10, Trans Amadi
Industrial Layout
(Near Erijoy Hotel), Port-Harcourt,
Rivers State
Tel: 084-4896482372401.

PORT-HARCOURT II

329A, Olu Obasanjo Road,
Port-Harcourt, Rivers State.
Tel: 084-238379, 239082-109.

SOKOTO

Maiduguri Way,
Sokoto.

TIN CAN

Tin Can Island Port,
Admin Premises, Apapa, Lagos.
Tel: 01-4708251.

UYO

21/23, Gibbs Road,
Off Oron, Uyo.
Tel: 085 - 201392, 202582.

VICTORIA ISLAND I

Plot 1665, Oyin Jolayemi Str,
Victoria Island, Lagos.
Tel: 01-4616625, 320188-92

WAMBAI

22, Ibrahim Babangida Way,
Kofar Wambai Market,
Kano State.
Tel: 064-646716, 646729, 646709.

WARRI

57, Effurun/Sapele Road
Warri, Delta State
Tel: 053-321076, 321289-90.

REGISTERED OFFICE

Access Bank Plc

Plot 1665 Oyin Jolayemi Street
Victoria Island
Lagos

E-mail: info@accessbankplc.com

Website: www.accessbankplc.com

AUDITORS

KPMG PROFESSIONAL SERVICES

22A Gerrard Road, Ikoyi
Lagos

REGISTRARS

WEMA REGISTRARS LIMITED

2nd Floor, A.G. Leventis Building
42/43 Marina, Lagos.

CORRESPONDENT BANKS

ANZ BANK LIMITED

Minerva House Montague Close, London SE1
9DHU.K.

BNP PARIBAS PARIS

Corporate & Financial Institutions
37 Place du Marche Saint-Honore-75031 Paris
Cedex 01 FRANCE.

BNP PARIBAS (SUISSE) S.A.

ECEP Bank Group Geneva 11 Quai des
Berges 1201 Geneva SWITZERLAND.

CITIBANK NEW YORK N.A.

111 Wall Street 19th Floor / Zone 1
New York NY 10043 U.S.A.

DEUTSCHE BANK

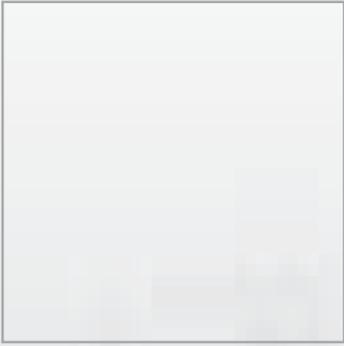
6 BISHOPSGATE LONDON
EC2N 4A

FBN UK

28 Finsbury Circus, London
EC2M 7DT, UK.

HSBC BANK PLC

HSBC Place,
6-9 Riviera Road, Houghton, 2198
P.O. Box 3248, Parklands, 2121,
SOUTH AFRICA.



Financials



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Notice of Annual General Meeting

FATAI OLADIPO



Notice is hereby given that the Sixteenth Annual General Meeting of Access Bank PLC will hold at the Lagoon Restaurant, Ozumba Mbadiwe Street, Victoria Island, Lagos on August 31, 2005 at 11:00a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and consider the report of the Directors, the Balance Sheet, together with the Profit and Loss Account and the Auditors' Report thereon, for the period ended March 31, 2005.
2. To elect/re-elect Directors.
3. To authorize the Directors to fix the remuneration of the Auditors.
4. To elect/re-elect members of the Audit Committee.

SPECIAL BUSINESS

- A. To consider and if thought fit, pass the following resolutions as ordinary resolutions:

5. "That the Directors' fee for the year ending March 31, 2006 be and is hereby fixed at ₦600,000.00 (six hundred thousand Naira only)".
6. That following the recommendation of the Directors, pursuant to Articles 117 of the Bank's Article of Association, the sum of ₦579,373,000.00 (five hundred and seventy-nine million, three hundred and seventy three thousand Naira only), standing to the credit of the Bank's Bonus Issue Reserve Account be and is hereby capitalized into 1,158,746,000 (one billion, one hundred and fifty-eight million, seven hundred and forty six thousand) Ordinary shares of 50 (fifty) kobo each and appropriated to members whose names appear in the Register of Members, at the close of business on August 19, 2005 in the proportion of one new share for every seven shares registered in such members' name on that date, subject to the approval of the appropriate authorities, the shares so distributed being treated for all purposes as capital and not as income, ranking

pari passu with the existing shares of the Bank.

- B. To consider and if thought fit, pass the following resolutions as special resolutions:
7. That the authorized share capital of the Bank be and is hereby increased from ₦6,000,000,000.00 (six billion Naira only) to ₦7,500,000,000.00 (seven billion, five hundred million Naira only) by the creation of 3,000,000,000.00 (three billion) Ordinary shares of 50 kobo each ranking pari passu in all respect with the existing shares of the Bank".
8. That the Memorandum and Articles of Association of the Bank be and is hereby amended by deleting the words "The Share Capital of the Bank is ₦6,000,000,000.00 (six billion Naira only) divided into 12,000,000,000.00 (twelve billion) shares of 50 kobo each" from clause 6 of the Bank's Memorandum and article 7 of the Articles and substituting thereof the following words "The Share Capital of



- the Bank is ₦7,500,000,000.00 (seven billion, five hundred million Naira only) divided into 15,000,000,000 (fifteen billion) shares of 50 kobo each".
9. That the Memorandum of Association of the Bank be and is hereby amended by the incorporation of a new sub-clause 10, Clause 6 of the Bank's Memorandum of Association as follows: "By a special resolution dated August 31, 2005, the Authorised Share Capital of the Bank was increased from ₦6,000,000,000.00 (six billion Naira only), to ₦7,500,000,000.00 (seven billion, five hundred million Naira only) by the creation of 3,000,000,000.00 (three billion), Ordinary shares of 50 kobo each ranking pari passu with the existing 12,000,000,000 (twelve billion) Ordinary shares of the Bank.
10. "That the Memorandum of Association of the Bank be and is hereby amended by the incorporation of a new sub-clause 3.20 and sub-clause 3.21 as follows and that the remaining sub-clauses be renumbered seriatim.
- Clause 3.20 **"To carry on the business of and to act as financial and commercial advisers and consultants, to manage investments and provide such managerial operational or consultancy services as may be consequential or incidental to the business of banking and to form or assist in forming any company for the purpose of acting as a Pension Fund Custodian and to provide other services as may be consequential or incidental to the business of pension funds custodian services"**.
- Clause 3.21 **"To seek for and secure business openings for employment of capital by way of loans, investment or otherwise in any part of the world and to employ and remunerate persons for such businesses"**.
11. That article 80 (2) of the Bank's Articles of Association be and is hereby amended by inserting the words **"Deputy Managing Director"** between the words **"as"** and **"and"** on line 3 to read thus ***"The Board of Directors may appoint one or more of the shareholders and senior officers of the Bank as Deputy Managing Director and Executive Directors on terms and conditions as it may think fit"***.
12. That article 80 (3) of the Bank's Articles of Association be and is hereby amended by inserting the words **"Deputy Managing Director"** between the words **"Managing Director"** and **"or"** on the first line to read thus ***"A Managing Director, Deputy Managing Director or any Director holding any such other office or place of profit shall receive such remuneration or emolument as the Directors may determine."***

13. That article 80 (4) of the Bank's Articles of Association be and is hereby amended by inserting the words "**Deputy Managing Director**" between the words "**Managing Director**" and "**or**" on line 2 to read "***the Directors may entrust to and confer upon the Managing Director, Deputy Managing Director or to any Director holding any such other office any of the powers exercisable by them other than the power of dealing with the shares of the Bank, upon such terms and conditions as they may think fit***".

14. That the Articles of Association of the Bank be and is hereby amended by the incorporation of a new article as article 89 as follows "***A Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a period of more than 12 months***".

15. That article 112 of the Bank's Articles of Association be and is hereby deleted and

the remaining articles renumbered seriatim.

PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his/her stead. A proxy need not be a member of Access Bank PLC. To be valid, the proxy form must be duly completed, stamped and deposited at the office of the Registrar, Wema Registrars Limited, 2nd Floor, A.G. Leventis Building, 42/43, Marina, Lagos not less than 48 hours prior to the time of the meeting. A blank proxy form is attached to the Annual Report.

DATED THIS 25th DAY OF JULY 2005

BY ORDER OF THE BOARD



FATAI OLADIPO

Company Secretary
Plot 1665, Oyin Jolayemi Street
Victoria Island, Lagos.

NOTES:

AUDIT COMMITTEE

In accordance with Section 359 (5) of the Companies and Allied Matters Act, 1990, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members and Transfer Books will be closed on August 22, 2005 to enable the Registrars prepare the Register of Shareholders for the Meeting and allotment of bonus shares.



Chairman's Statement

GBENGA OYEBODE MFR
CHAIRMAN



Distinguished shareholders, it is with great pleasure that I welcome you to our Bank's 16th Annual General Meeting and to present to you the Bank's Annual Report and Statement of Accounts for the period ended March 31 2005.

Domestic Environment

The real gross domestic product (GDP) lost its 2003 growth momentum as it decreased from 10% to 6% in 2004; however growth in monetary aggregates of 14% was within the 2004 target of 15%. In addition, overall balance of payments recorded a positive surplus of ₦1.13 trillion or 13.7 % of GDP, the first time in three years Nigeria would achieve this position.

External reserves grew by 127% to \$16.96 billion, whilst the exchange rate also appreciated by 3% to ₦132.9. This economic success is largely attributable to the favourable oil prices and fiscal restraint exercised by the government.

The current administration's reform agenda gathered steam in the period as several of the outlined reform initiatives began to bear fruit. The privatization initiatives in the aviation industry saw the birth of Virgin Nigeria. The pension reform has seen the signing into law of the reform act and the operational modalities for the institutional framework i.e. the Pension Commission, the Pension Fund Administrators and the Pension Fund Custodians have been put in place. Also, the power reform legislation has been passed into law, NEPA will be split into three distinct businesses – generation, transmission and distribution with private sector participation, which will enhance efficiency and improve the quality and consistency of this very key sector of our economy. The government's anti corruption campaign appears to be gaining momentum with the prosecution of some prominent public office holders for criminal offences.

Inflationary pressures moderated the impact of high oil prices on economic growth. The manufacturing sector recorded a dip in capacity utilization after two years of modest improvement. Output was also severely limited by the decline in aggregate demand, weak infrastructural support, the increased cost of energy and gas, and the general rise in the cost of doing business, as inflation remains unabated.

In order to stimulate real sector growth by lowering lending rates, the CBN has continued to drop the Minimum Rediscount Rate (MRR), and in the period MRR was dropped by 200 basis points to 13%. In order to make this process more dynamic, the CBN in its 2005 monetary policy guidelines stated that MRR would be reviewed on a quarterly basis. The CBN is poised to continue to adopt measures to force down lending rates, and this has significant implications for margins and the challenge facing banks is to seek



other avenues for diversifying their earnings and focus on effective cost management.

Operating Result

Our operating result for the year was largely reflective of our decision to focus our resources on ensuring the survival of our franchise following the CBN's pronouncement on minimum capitalization. Notwithstanding, our gross earning grew by 36% to ₦7.5 Billion, whilst PBT dropped by 21% to ₦751 Million, despite the growth in earnings. The reduction resulted from the loss of market share we experienced during the public offer period and a significant increase in our level of provisions for bad loans due to the worsening credit quality of customers in the middle market sector of the Nigerian economy. Recovery efforts have commenced on these loans and we are confident that significant recoveries will be recorded in the next financial year. Despite the uncertainties of the market and the dip in profitability, we

still achieved significant growth on the balance sheet. Total asset and contingents grew by 100% to ₦81 Billion; whilst Shareholders' Funds grew by 521% to ₦14.07 Billion, largely from the capitalization of the proceeds from our public offer.

In light of the circumstance above, the Board of our Bank has recommended that we capitalize our profit for the year to further enhance the improved level and quality of our shareholders fund especially in the face of the on-going banking consolidation.

Bonus Issue

The Board of Directors is recommending for your approval at this meeting, the capitalization of ₦579,373,000.00 from the bonus issue reserve to be used for a scrip issue in the proportion of one new share for every seven existing ordinary shares currently held by each shareholder.

The Board

During the year under review, our erstwhile Chairman, Mr. M.A. Oni retired from the board after several years of meritorious service to the Bank. The quality of his direction and counsel has contributed greatly in putting the Bank on a solid footing; we would like to wish him well in his endeavours even as we look forward to his continued contributions to the Bank. I am also privileged to say that your board has similarly appointed me as the Bank's Chairman following Mr. Ayo Oni's retirement.

Other changes on the board include the appointment of Mr. Taukeme Koroye as an Executive Director of the Bank and Mr. Dere Otubu as a non-Executive Director. In addition, Mr. Kunle Disu voluntarily resigned from the board in the period under review. I am also pleased to introduce to you two distinguished gentlemen who have recently joined the Board of Directors; they are



Messrs. Emmanuel Chiejina and Mahmoud Isa Dutse. Also the Central Bank has approved the promotion of Mr. Okey Nwuke from General Manager to Executive Director thus further strengthening the Bank's Executive Management Team.

Finally on Board matters, in line with our practice HRH Oba Shafi Sule having attained the age of 70 will be retiring from the Board of Directors after several years of royal and dedicated service to your bank. He will be sorely missed.

Consolidation

You are well aware of the on-going reform in the banking industry with particular reference to the minimum capitalization requirement of ₦25 billion for Nigerian banks effective December 2005. We have also constantly kept you abreast of developments of our plans and action towards meeting the CBN deadline.

Following the bank's extraordinary general meeting where you approved that the Bank should enter into a value-driven merger arrangement, we have commenced a merger with Capital Bank International Ltd and Marina International Bank Ltd. The CBN has given its Pre-Merger consent and Approval-in-Principle to the transaction and all arrangements and processes to make the merger a success are currently receiving utmost attention.

As with fundamental industry changes all over the world, consolidation comes with its attendant challenges and cost. We believe that the greatest challenge of the consolidation will be the integration of people, culture, processes and systems all of which will come at significant cost. In addition risk asset quality deterioration will also be a key challenge for all banks, which has largely informed the decision by the CBN to set up an asset management company to

manage the thorny problem of bad loans in the industry.

Information Technology

The bank in the period under review successfully completed the upgrade of its core banking application software - Flexcube - to the most advanced version globally. This has impacted positively on our service delivery and customers now find it easier and convenient to operate their accounts. To support this upgrade, we have invested significantly in a state-of-the-art telecommunications infrastructure and our staff have undergone rigorous training and exposure both locally and internationally. Our website was also improved upon to ensure better customer interaction and information dissemination. The Bank has also become a member of the Interswitch Consortium, which allows interconnectivity between banks that would enhance payment and settlement in the banking industry.

Branch Development

In order to continue to bring excellent banking services closer to our customers, we opened 5 new business locations across the country in the review period, bringing our network of branches to 34. These new branches include Maiduguri, Kebbi, Makurdi, Uyo and Bauchi. Our expansion plans are continuous and in line with our overall strategic objective.

Human Capital Development

We continue to place emphasis on human capital development by ensuring that we adequately invest in capacity development to ensure that our people are equipped with the right skills set, incentive and environment necessary for the enhancement of their productivity.

Conclusion

The prior financial year was a challenging one in view of the fundamental restructuring

taking place in the banking industry. The Board and Management of your Bank will not relent in their efforts to position your Bank in the ranks of ₦25 Billion capitalized institutions. Most importantly, you will now begin to enjoy returns levels of profitability commensurate with our new industry position.

I salute all our loyal customers for keeping faith with us and continue to count on our shareholders for their support, patience and understanding as we chart a new course in our QUEST for Excellence.

Thank you.



Directors' Report

For the year ended 31 March 2005

The Directors have pleasure in presenting their annual report together with the audited financial statements of Access Bank Plc, for the year ended 31 March 2005.

Legal Form and Principal Activity:

The Bank was incorporated as a private limited liability company on 8 February 1989 and commenced business on 11 May 1989. The Bank was converted to a public limited liability company on 24 March 1998 and its shares were listed on the Nigerian Stock Exchange on 18 November 1998. The Bank was issued a universal banking license by the Central Bank of Nigeria on 5 February 2001.

The principal activity of the Bank continues to be the provision of money market activities, retail banking, granting of loans and advances, equipment leasing, corporate finance and foreign exchange operations.

Operating Results:

Highlights of the Bank's operating results for the year under review are as follows:

	2005	2004
	₦'000	₦'000
Profit on ordinary activities before taxation	751,033	951,750
Profit before taxation	751,033	951,750
Taxation	(249,518)	(314,277)
Profit after taxation	501,515	637,473
Transfer to statutory reserve	(150,455)	(191,242)
Transfer to small and medium industries reserve	(75,103)	(95,175)
Proposed dividend	-	(300,000)
Retained profit for the year	275,957	51,056
Shareholders' funds	14,071,924	2,702,830
Earnings per share		
- adjusted	12k	16k
- unadjusted	12k	21k
Dividend per share		
- unadjusted	-	10k

Directors and their Interests:

The Directors who held office during the year, together with their direct and indirect interests in the shares of the Bank, are as follows:

	Number of Ordinary Shares of 50k each held as at			
	31 March 2005		31 March 2004	
	Direct	Indirect	Direct	Indirect
G. Oyeboode (Chairman) (appointed on 9 February 2005)	42,725,813	-	32,044,360	-
M. Ayo Oni (resigned as Chairman on 9 February 2005)	-	-	-	12,777,777
Pastor A. W. Odunaiya (Vice Chairman) (resigned on 28 August 2003)	-	-	47,777,777	-
A. Disu (resigned on 23 November 2004)	-	-	-	27,777,777
A.I Aig-Imoukhuede (Managing Director)	77,449,150	409,106,271	68,669,978	317,720,604
H. O. Wigwe (Deputy Managing Director)	77,449,150	409,106,271	68,669,978	317,720,604
H.R.H. Oba S. A. Sule	25,722,221	214,716,565	19,291,666	152,787,424
C. M. Maduka	900,000	352,158,255	-	262,242,797
Oritsedere Samuel Otubu	65,284,333	13,793,100	-	-
Taukeme Edwin Koroye	11,454,990	-	-	-

The Directors to retire by rotation at the next Annual General Meeting are:

H. R. H. Oba Shafi A. Sule, Dr C.M. Maduka and Mr. Gbenga Oyeboode.

Analysis of Shareholding

Range	2005		2004	
	Number of Shareholders	% of Shareholding	Number of Shareholders	% of Shareholding
1-10,000	65,666	3	12,325	1
10,001-1,000,000	24,252	25	3,777	8
1,000,001-10,000,000	470	17	134	11
10,000,001 and above	79	55	37	80
	<u>90,467</u>	<u>100</u>	<u>16,273</u>	<u>100</u>



The shareholding of the following companies in the bank as at 31 March 2005 in which some directors held interests are as follows:

<u>Directors</u>	<u>Shareholder</u>	<u>31 March 2005</u>		<u>31 March 2004</u>	
		Number of Shares held	% Shareholding	Number of Shares held	% Shareholding
Dr. Cosmas Maduka	Coscharis Motors) Limited)				
Dr. Cosmas Maduka	Coscharis Agro) Limited)	352,158,255	4.44	262,242,797	8.74
Aigboje Aig-Imoukhuede	United Alliance Limited	409,106,271)		317,720,604 }	
Herbert Wigwe	United Alliance Limited	409,106,271)	10.29	317,720,604 }	21.18

In addition to the above, Access Bank Staff Investment Scheme has 520,019,979 (2004: 299,209,925) shares of the Bank representing 6.4% of the Bank's issued share capital.

Except for the above, no individual shareholder held up to 5% of the issued share capital as at 31st March, 2005.

Statement of Directors' Responsibilities

This statement, which should be read in conjunction with the Auditor's report, is made with a view to setting out for shareholders, the responsibilities of the directors of the Bank with respect to the financial statements.

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act 1990, and Sections 24 and 28 of the Banks and Other Financial Institutions Act 1991, the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Bank and its profit or loss for the financial year.

The responsibilities include ensuring that:

- (a) appropriate internal controls are established both to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.
- (b) the Bank keeps proper accounting records which disclose with reasonable accuracy the financial position of the bank, and which have been prepared using suitable accounting policies that have been consistently applied and ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 1990 and Banks and Other Financial Institutions Act, 1991.
- (c) the Bank has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and all applicable accounting standards have been followed; and
- (d) it is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the Bank will not continue in business.

Fixed Assets:

Information relating to changes in the fixed assets of the Bank is given in Note 8 to the financial statements.

Donations and Charitable Gifts:

Donations and gifts to charitable organization during the year amounted to ₦6,600,000 (2004: ₦2,640,000) as follows:

<u>Beneficiary</u>	₦'000
MUSON School Orchestra Appeal Fund	2,500
IBA African Regional Conference	100
Veronica Adeleke Foundation	1,000
Business Fellowship Ministries	100
Institute of Chartered Accountants of Nigeria	300
Chartered Institute of Bankers of Nigeria	500
NDLEA	100
Gombe Flood Victims	2,000
	<hr/>
	6,600
	<hr/> <hr/>



Health and Safety at Work:

Health and safety regulations are in force within the premises of the Bank. The Bank provides subsidy towards transportation, housing, lunch and medicals to all levels of employees. Incentive schemes designed to meet the circumstances of each individual are implemented whenever appropriate. These schemes include bonus, promotions, employees share investment trust etc.

Employment of Disabled Persons:

The Bank has a non-discriminatory policy on the consideration of applications for employment, including those received from disabled persons. All employees are given equal opportunities to develop themselves. The Bank's policy is that the highest qualified and most experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

As at 31 March 2005, the Bank had two persons on the staff list with physical disability.

Employee Involvement and Training:

The Bank places a high premium on the development of its manpower and consults with employees on matters affecting their well being. Formal and informal channels of communication are employed in keeping staff abreast of various factors affecting the performance of the Bank. The Bank draws extensively on training programs around the world. Training courses were offered to employees both locally and overseas in the year under review.

Auditors

KPMG Professional Services have indicated their willingness to continue in office as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, 1990.

BY ORDER OF THE BOARD



FATAI OLADIPO
Company Secretary

1 June 2005

Report of Audit Committee

To the members of Access Bank Plc:

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, 1990, the members of the Audit Committee of Access Bank Plc hereby report on the financial statements for the year ended 31 March 2005 as follows:

- * We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act 1990 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- * We are of the opinion that the accounting and reporting policies of the Bank are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 March 2005 were satisfactory and reinforce the Bank's internal control systems.
- * We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks". We hereby confirm that an aggregate amount of ₦2,391,322,000 was outstanding as at 31 March 2005.
- * We have deliberated the findings of the auditors who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses thereon and with the effectiveness of the Bank's system of accounting and internal control.

KAYODE AYENI

Chairman, Audit Committee

23 June 2005

Members of the Audit Committee are:

Kayode Ayeni	Chairman
Oritsedere Otubu	Member
Emmanuel Eleoramo	Member
Ibrahim H. Dankwanbo	Member
Cosmas Maduka	Member
Gbenga Oyebo	Member

In attendance:

Fatai Oladipo - Secretary



Report of the Auditors



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To the Members of Access Bank Plc:

We have audited the balance sheet of **Access Bank Plc** ("the Bank") as at 31 March 2005 and the related profit and loss account and statement of cash flows for the year then ended set out on pages 17 to 38, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 14 to 16.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities in relation to the financial statements, the Directors are responsible for the preparation of the financial statements. It is our responsibility to express an independent opinion, based on our audit, on the financial statements prepared by the Directors.

Basis of Opinion

We conducted our audit in accordance with international standards on auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary, including adequate returns from branches not visited by us, in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements, and assessed whether the Bank's books of account had been properly kept.

In accordance with CBN circular BSD/1/2004, details of insider related credits are set out in Note 31 to the financial statements.

Banks and Other Financial Institutions Act (BOFIA) 1991

To the best of our knowledge and based on the representation we received, the Bank paid penalties for contraventions of BOFIA in 2004 and 2005 financial years. Details of these are stated in Note 32 of the financial statements.

Opinion

In our opinion,

- i. the Bank's books of account have been properly kept;
- ii. the financial statements referred to above, which are in agreement with the books of account, give a true and fair view of the state of affairs of the Bank as at 31 March 2005 and of its profit and cash flow for the year then ended and comply with the Banks and Other Financial Institutions Act, 1991, relevant circulars issued by the Central Bank of Nigeria, relevant Statements of Accounting Standards in Nigeria and the Companies and Allied Matters Act, 1990.

Capitalisation Plans

Without qualifying our opinion, we draw attention to Note 34 in the financial statements which explains the Bank's plan to comply with the regulatory requirements by the Central Bank of Nigeria.

1 June 2005



Statement of Accounting Policies

A summary of the principal accounting policies, applied consistently throughout the current and preceding year, is set out below.

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention.

(b) Recognition of Interest Income

Interest income is recognized on an accrual basis, except for interest overdue for more than 90 days, which is suspended and recognized only to the extent that cash is received. Lease finance income is amortised over the lease period to achieve a constant rate of return on the outstanding net investment.

(c) Recognition of Fees, Commissions and Other Income

Fees and commissions, where material, are amortised over the life of the related service. Otherwise fees, commissions and other income are recognized as earned upon completion of the related service.

(d) Loans and Advances

Loans and advances are stated net of provisions. A specific risk provision for loan impairment is established to provide for management's estimate of credit losses as soon as the recovery of an exposure is identified as doubtful. This provision is made for each account that is not performing in accordance with the terms of the related facility. This is in accordance with the Statement of Accounting Standards for Banks and Non-Bank Financial institutions (SAS 10) issued by the Nigerian Accounting Standards Board and the Prudential Guidelines issued by the Central Bank of Nigeria in the manner stated below:

Number of days of outstanding principal/interest	Classification	Required Provision %
90 days but less than 180 days	Substandard	10
180 days but less than 360 days	Doubtful	50
Over 360 days	Lost	100

A provision of at least 1% is made for all performing accounts to recognize losses in respect of risks inherent in any credit portfolio.

When a loan is deemed not collectible, it is written off against the related provision and subsequent recoveries are credited to the income statement.

(e) Advances Under Finance Lease

Advances under finance leases are stated net of unearned lease finance income. Lease finance income is recognised in a manner, which provides a constant yield on the outstanding net investment over the lease period and is included in interest and discount income of the Bank.

In accordance with the Prudential Guidelines for licensed banks, specific provision is made on leases that are non-performing, while a general provision of at least 1% is made on the aggregate net investment in the finance lease.



(f) Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided on a straight-line basis to write-off fixed assets over their estimated useful lives. During the year, the Bank revised its estimate of the useful life of computer hardware from 5 years to 3 years. The Bank's rates of depreciation are:

Freehold land and buildings	-	2%
Leasehold improvements	-	Over the period of the lease
Furniture, fixtures and equipment	-	20%
Computer Hardware	-	33.33%
Motor vehicles & generators	-	25%

Gains or losses on the disposal of fixed assets are included in the profit and loss account.

(g) Equipment on Lease

Equipment on lease comprises motor vehicles and equipment and are stated at cost less accumulated depreciation. Equipment on lease is depreciated at the same rate of depreciation applicable to the class of fixed assets.

(h) Taxation

Income tax payable is provided on taxable profits at the current rate.

(i) Deferred Taxation

Deferred tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes at the rate of tax likely to be in force at the time of reversal.

(j) Foreign Currency Items

Transactions denominated in foreign currencies are translated into Naira at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are converted into Naira at the rates of exchange prevailing at year end (or, where appropriate, the rate of the related forward contract). Gains or losses arising from changes in the rates of exchange subsequent to the dates of the transactions are accounted for in the profit and loss account.

(k) Investments

Short-term investments are stated at face value. Unearned income is deferred and amortised as earned. Any diminution in value is recognised as appropriate. Long-term investments comprise debt and equity securities which the Bank intends to hold to maturity. Interest received on the debt securities during the year is reported as part of interest income. A change in market value is taken into account only if it is considered to be permanent.

(l) Off Balance Sheet Transactions

Transactions to which there are no direct balance sheet risks to the Bank are reported and accounted for as off balance sheet transactions and comprised:

Acceptances:

Acceptances are undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from customers.

Acceptances, which meet the conditions, set out in Central Bank of Nigeria (CBN) Guidelines on the treatment of Bankers Acceptances and Commercial Papers are accounted for and disclosed as contingent liabilities. The income and expense relating to these acceptances are recognized and reported net in the financial statements.

Guarantees and Performance Bonds:

The Bank provides financial guarantees and bonds to third parties on the request of customers in form of bid and performance bonds or advance payment guarantees.

The amounts reflected in the financials statements for bonds and guarantees represent the maximum loss that would be recognized at the balance sheet date if counterparties failed completely to perform as contracted. Commissions and fees charged to customers for services rendered in respect of bonds and guarantees are recognized at the time the services or transactions are effected.

Letters of Credit

The bank provides letters of credit to guarantee the performance of customers to third parties. These are accounted for as off balance sheet.

(m) Retirement Benefits

The Bank operates a defined contribution pension scheme. Employees are entitled to join the scheme on confirmation of their employment. Prior to January 2005, the employees' and the Bank's contributions were 5% and 15% of the employees' annual basic salary respectively. With effect from January 2005, the employees' and the Bank's contributions changed to 7.5% each of employees' annual basic salary, housing and transport allowances in line with the new Pension Reform Act. Employee benefits under this scheme are paid as a lump sum on retirement based on the employees' years of service.

(n) Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalent comprise cash and short term funds and have been reported gross of provision for doubtful balances.

(o) Repurchase Agreements

The Bank enters into purchases (sales) of securities under agreements to resell (repurchase) substantially identical securities at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are accounted for as repurchase transactions.

Securities sold under repurchase agreements continue to be recognized in the balance sheet and the proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sale and repurchase consideration is recognized on an accrual basis over the period of the transaction.

(p) Forward Contracts

The Bank enters into sales or purchase of securities under agreements to deliver such securities at a future date (forward contracts) at a fixed price. Securities sold under a forward contract agreement are accounted for as payable and receivable on execution of the contracts. Fees earned on the transaction are accounted for as fee income in the profit and loss account.

Balance Sheet

For the year ended 31 March, 2005

	<u>Notes</u>	<u>2005</u> ₦'000	<u>2004</u> ₦'000
ASSETS:			
Cash and Short-term Funds	1	11,811,850	5,527,375
Short-term Investments	2	7,990,980	7,777,742
Loans and Advances	3	16,183,353	11,461,571
Other Facilities	4	-	463,790
Advances under Finance Lease	5	150,188	45,437
Other Assets	6	27,213,502	2,898,153
Long-term Investments	7	394,500	307,000
Fixed Assets	8	2,417,425	1,843,687
Equipment on Lease	9	756,517	1,016,752
TOTAL ASSETS		66,918,315	31,341,507
LIABILITIES:			
Deposits and other Accounts	10	32,607,703	22,724,035
Due to Banks	11	2,790,319	849,947
Other Facilities	12	-	468,475
Other Liabilities	13	16,956,822	3,854,666
Taxation Payable	14	216,284	215,335
Dividend Payable	15	-	300,000
Deferred Taxation	14	275,263	226,219
TOTAL LIABILITIES		52,846,391	28,638,677
NET ASSETS		14,071,924	2,702,830
CAPITAL AND RESERVES:			
Share Capital	16	4,055,607	1,500,000
Bonus Issue Reserve	17	579,373	500,000
Share Premium	18	8,535,754	-
Statutory Reserve	19	638,240	487,785
Small and Medium Industries Reserve	20	262,950	187,847
General Reserve	21	-	27,198
SHAREHOLDERS' FUNDS		14,071,924	2,702,830
Acceptances, bonds, guarantees and other obligations for the account of customers	22	14,763,107	13,393,640
TOTAL ASSETS AND CONTINGENCIES		81,681,422	44,735,147

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Aigboje Aig-Imoukhuede



} Directors

Mr. Herbert Wigwe



Approved by the Board of Directors on 1 June 2005.

The accompanying notes form an integral part of these balance sheets.

Profit and Loss Account

For the year ended 31 March, 2005

	<u>Notes</u>	<u>2005</u> ¥'000	<u>2004</u> ¥'000
GROSS EARNINGS		7,494,855	5,515,086
INTEREST AND DISCOUNT INCOME	23	3,929,248	2,745,858
INTEREST EXPENSE	24	(1,576,555)	(1,445,333)
INTEREST MARGIN		2,352,693	1,300,525
Provision for Risk Assets	25	(770,952)	(357,658)
NET INTEREST MARGIN		1,581,741	942,867
Provision on Other Assets and Long-term Investments	25	(213,476)	(28,253)
OTHER INCOME	26	3,565,607	2,769,228
		4,933,872	3,683,842
Operating Expenses		(4,182,839)	(2,732,092)
Profit on ordinary activities before taxation	27	751,033	951,750
Taxation	14	(249,518)	(314,277)
PROFIT AFTER TAXATION		501,515	637,473
APPROPRIATIONS:			
Transfer to Statutory Reserve	19	(150,455)	(191,242)
Transfer to Small and Medium Industries Reserve	20	(75,103)	(95,175)
Dividend	15	-	(300,000)
Transfer to General Reserve	21	(275,957)	(51,056)
		-	-
Earnings per Share - unadjusted	28	12k	21k
- adjusted		12k	16k
Dividend per Share - unadjusted	28	-	10k

The accompanying notes form an integral part of these profit and loss accounts.



Statement of Cash Flows

For the year ended 31 March, 2005

	<u>Notes</u>	<u>2005</u> ₤'000	<u>2004</u> ₤'000
Operating Activities:			
Net Cash flow from Operating Activities before changes in Operating Assets	29	2,461,506	1,851,061
Changes in Operating Assets	30	(5,335,313)	(2,101,732)
Income Tax Paid	14	(199,525)	(140,359)
Net Cash Outflow from Operating Activities		<u>(3,073,332)</u>	<u>(391,030)</u>
Investing Activities:			
Purchase of Fixed Assets	8	(1,159,394)	(771,960)
Proceeds from Sale of fixed Assets		118,655	9,045
Purchase of Lease Equipment		-	(816,462)
Purchase of Long-Term Investments		(87,500)	(50,000)
Net Cash Inflow/(outflow) from Investing Activities		<u>(1,128,239)</u>	<u>(1,629,377)</u>
Financing Activities:			
Dividend Paid		(300,000)	(135,000)
Proceeds from Share Issue		11,922,522	-
Share Issue Expense		(1,054,943)	-
Cash In/(out) flow from Financing Activities		<u>10,567,579</u>	<u>(135,000)</u>
Net Increase/ (decrease) in Cash and Cash equivalents		<u>6,366,008</u>	<u>(2,155,407)</u>
Cash and Cash equivalents, Beginning of Year		5,527,375	7,682,782
Cash and Cash Equivalents, End of Year	1	<u>11,893,383</u>	<u>5,527,375</u>

The accompanying notes form an integral part of these statements of cash flows.



Notes to the Financial Statements

For the year ended 31 March, 2005

1. Cash and Short-term Funds

(a) Cash and short-term funds comprise:

	2005 ₦'000	2004 ₦'000
Cash on hand	1,266,957	851,050
Balances held with the Central Bank of Nigeria:		
- Current account	2,204,623	622,671
- Cash reserve	1,626,468	921,656
- Investment account (see Note (b))	11,608	11,608
Balances held with other banks and financial institutions in Nigeria:		
- Clearing settlement account	1,842,486	-
- Current account	213	725
- Placements (see Note (c) below)	175,000	-
Balances held with banks outside Nigeria:		
- Other accounts	3,526,086	1,953,836
- Placements with foreign banks (see Note (d))	1,239,942	1,165,829
	<u>11,893,383</u>	<u>5,527,375</u>
Provision for doubtful cash balances (see Note 25)	(81,533)	-
	<u><u>11,811,850</u></u>	<u><u>5,527,375</u></u>

(b) This represents the amounts debited to the Bank's current account by the Central Bank of Nigeria for investment in treasury bills until invested by the Bank in Small and medium scale industries.

(c) The maturity profile of placements with other banks and discount houses in Nigeria is as follows:

	2005 ₦'000	2004 ₦'000
Under 1 month	50,000	-
Call	125,000	-
	<u>175,000</u>	<u>-</u>

(d) The maturity profile of foreign placements is as follows:
Under 1 month

<u>1,239,942</u>	<u>1,165,829</u>
------------------	------------------

(e) Included in balances held with banks outside Nigeria is the naira value of foreign currencies held on behalf of customers in various foreign accounts amounting to ₦1,634,153,955 (2004: ₦1,168,232,739) to cover letters of credit transactions. The corresponding liability for this amount is included in other liabilities (see Note 13).

2. Investments

(a) Short-term investments represent:

	2005 ₦'000	2004 ₦'000
Nigerian Government Treasury Bills	<u>7,990,980</u>	<u>7,777,742</u>



3. Loans and Advances

(a) The classification of loans and advances is as follows:

	2005 N'000	2004 N'000
Secured against real estate	6,483,948	4,429,837
Otherwise Secured	10,870,177	7,336,767
Unsecured	587,576	574,438
	<u>17,941,701</u>	<u>12,341,042</u>
Provisions:		
- Specific	(1,174,912)	(569,996)
- General	(161,896)	(114,737)
- Interest in suspense	(421,540)	(194,738)
	<u>16,183,353</u>	<u>11,461,571</u>

(b) The movement on specific provisions for bad and doubtful loans during the year was as follows:

	2005 N'000	2004 N'000
Specific provision:		
Beginning of year	569,996	451,490
Provision no longer required	(55,751)	(143,635)
Provisions during the year	769,552	429,939
Provisions written-off during the year	(108,885)	(167,798)
End of year	<u>1,174,912</u>	<u>569,996</u>

(c) The movement on the general provisions for bad and doubtful loans during the year was as follows:

	2005 N'000	2004 N'0000
General provision:		
Beginning of year	114,737	63,598
Provision during the year	47,159	51,139
End of year	<u>161,896</u>	<u>114,737</u>
Interest in suspense:		
Beginning of year	194,738	114,163
Interest suspended during the year	273,466	181,374
Interest recovered	(8,243)	(46,393)
Interest written-off	(38,421)	(54,406)
Balance, end of year	<u>421,540</u>	<u>194,738</u>

(d) The maturity profile of loans and advances is as follows:

	2005 N'000	2004 N'000
Under 1 month	6,464,399	6,171,412
1 - 3 months	2,607,304	1,110,496
3 - 6 months	4,490,251	1,795,355
6 - 12 months	1,485,026	1,625,880
Over 12 months	2,894,721	1,637,899
	<u>17,941,701</u>	<u>12,341,042</u>

(e) The analysis of loans and advances by performance is as follows:

	<u>2005</u> ₦'000	<u>2004</u> ₦'000
Non-performing:		
Substandard	47,848	244,107
Doubtful	430,997	125,470
Lost	1,273,387	497,731
	<u>1,752,232</u>	<u>867,308</u>
Performing	16,189,469	11,473,734
	<u>17,941,701</u>	<u>12,341,042</u>

4. Other Facilities

(a) This represents amounts received from Afrexim for on-lending (see Note 12). The classification of the outstanding balance by type as at year-end is as follows:

	<u>2005</u> ₦'000	<u>2004</u> ₦'000
Loans	-	468,475
General provision	-	(4,685)
	<u>-</u>	<u>463,790</u>

(b) During the year, the facility was repaid and taken over by another bank.

(c) The movement on the general provisions for other facilities during the year was as follows:

	<u>2005</u> ₦'000	<u>2004</u> ₦'000
General provision:		
Beginning of year	4,685	-
Provision no longer required	(4,685)	4,685
	<u>-</u>	<u>4,685</u>
End of year	<u>-</u>	<u>4,685</u>

(d) The maturity profile of other facilities is as follows:

	<u>2005</u> ₺'000	<u>2004</u> ₺'000
Over 12 months	-	468,475

5. Advances under Finance Lease

(a) Advances under finance lease comprise:

	<u>2005</u> ₺'000	<u>2004</u> ₺'000
Gross investment	194,525	55,153
Unearned income	(29,201)	(9,257)
Net investment in Finance leases	<u>165,324</u>	<u>45,896</u>
Specific provision	(13,875)	-
General provisions	(1,261)	(459)
	<u>150,188</u>	<u>45,437</u>

(b) The movement on specific provisions for advances under finance leases during the year was as follows:

	<u>2005</u> ₺'000	<u>2004</u> ₺'000
Balance, beginning of year	-	-
Provision no longer required	-	-
Provisions made during the year	13,875	-
	<u>13,875</u>	<u>-</u>

(c) The movement on general provisions for advances under finance leases during the year was as follows:

	<u>2005</u> ₺'000	<u>2004</u> ₺'000
Beginning of year	459	29
Provision during the year	802	430
End of year	<u>1,261</u>	<u>459</u>

(d) The maturity profile of advances under finance lease is as follows:

	<u>2005</u> N'000	<u>2004</u> N'000
Under 1 month	960	247
1-3 months	6,115	4,239
3-6 months	5,652	17,047
6 - 12 months	68,194	15,373
Over 12 months	84,403	8,990
	<u>165,324</u>	<u>45,896</u>

6. Other Assets

(a) Other assets comprise receivables and prepayments arising from:

	<u>2005</u> N'000	<u>2004</u> N'000
Treasury Bills on open buy back (see note (c) below)	13,575,000	1,900,000
Treasury bill sold on forward contracts	11,630,674	-
Prepaid interest and discounts	190,667	123,293
Interest receivable	171,269	74,723
Prepayments	503,720	385,836
Other receivables	1,322,677	476,284
	<u>27,394,007</u>	<u>2,960,136</u>
Provision on other assets (see (b) below)	(180,505)	(61,983)
	<u>27,213,502</u>	<u>2,898,153</u>

(b) The movement on the provision on other assets during the year was as follows:

	<u>2005</u> N'000	<u>2004</u> N'000
Balance, beginning of year	61,983	46,400
Write back during the year	-	(9,578)
Provision during the year	131,943	37,831
Provision written off during the year	(13,421)	(12,670)
End of year	<u>180,505</u>	<u>61,983</u>



(c) OBB Treasury Bills represent treasury bills pledged as security against open buy back interbank takings.

7. Long-term Investments

(a) Long-term investments comprise:

	2005 N'000	2004 N'000
Nigerian Automated Clearing System (see (b) below)	7,000	7,000
₦15 billion Second Lagos State Government Floating Redeemable Bond 2005/2009 (see Note (c) below)	250,000	250,000
17.75% ₦30 billion First Federal Government Bond 2006 (see Note (d) below)	50,000	50,000
Central Security Clearing System Limited	87,500	-
(see Note (e) below)	<u>394,500</u>	<u>307,000</u>

(b) This represents the Bank's investment in Nigerian Automated Clearing System.

(c) This represents the Bank's investment in 2,500,000 units of ₦100 each in the ₦15 billion Second Lagos State Government Floating Rate Redeemable Bond 2005/2009.

(d) This represents the Bank's investment in 50,000 units of ₦1,000 each in the 17.75% ₦30 billion Federal Government of Nigeria Bond 2006.

(e) This represents the Bank's investment in 25,000,000 ordinary shares of ₦1 each in Central Securities Clearing System.

8. Fixed Assets

(a) The movement on these accounts during the year was as follows:

Construction	Freehold, in progress N'000	Furniture leasehold land & improvement N'000	Fittings & Equipment N'000	Computer hardware N'000	Motor vehicles N'000	Total N'000
COST:						
Beginning of year	414,288	814,413	776,910	328,005	414,952	2,748,568
Additions	92,514	214,606	309,038	165,795	377,441	1,159,394
Disposals	-	(93,000)	-	-	(59,442)	(152,442)
Transfers	(329,524)	284,204	33,343	6,234	5,743	-
Reclassification to other assets	(1,191)	-	-	-	-	(1,191)
Write off	-	(3,860)	(3,330)	-	-	(7,190)
End of year	<u>176,087</u>	<u>1,216,363</u>	<u>1,115,961</u>	<u>500,034</u>	<u>738,694</u>	<u>3,747,139</u>
ACCUMULATED DEPRECIATION:						
Beginning of year	-	154,820	364,192	190,110	195,759	904,881
Charge for the year	-	73,209	145,702	125,309	122,409	466,629
Disposals	-	-	-	-	(41,796)	(41,796)
End of year	<u>-</u>	<u>228,029</u>	<u>509,894</u>	<u>315,419</u>	<u>276,372</u>	<u>1,329,714</u>
NET BOOK VALUE:						
End of year	<u>176,087</u>	<u>988,334</u>	<u>606,067</u>	<u>184,615</u>	<u>462,322</u>	<u>2,417,425</u>
Beginning of year	<u>414,288</u>	<u>659,593</u>	<u>412,718</u>	<u>137,895</u>	<u>219,193</u>	<u>1,843,687</u>

- (b) No leased movable assets are included in the above fixed assets.
- (c) Authorised and contracted capital commitments as at the balance sheet date amounted to ₦7, 610,665 (2004: ₦59,097,452).
- (d) During the year, the Bank revised its estimate of the useful life of computer from 5 years to 3 years. The change in useful life which has been accounted for as a change in accounting estimate resulted in an additional depreciation charge of ₦54,241,503 during the year.

9. Equipment on lease

The movement on this account during the year was as follows:

	<u>Motor Vehicle</u> ₦'000	<u>Equipment</u> ₦'000	<u>Total</u> ₦'000
Cost:			
Balance, beginning and end of the year	126,300	1,143,302	1,269,602
Accumulated Depreciation:			
Beginning of year	44,184	208,666	252,850
Charge for the year	31,575	228,660	260,235
End of year	<u>75,759</u>	<u>437,326</u>	<u>513,085</u>
Net book value:			
End of year	<u>50,541</u>	<u>705,976</u>	<u>756,517</u>
Beginning of year	<u>82,116</u>	<u>934,636</u>	<u>1,016,752</u>

10. Deposits and Other Accounts

(a) Deposits and other accounts comprise:

	<u>2005</u> ₦'000	<u>2004</u> ₦'000
Demand	17,210,408	15,011,490
Savings	823,097	654,712
Term and call	14,574,198	7,057,833
	<u>32,607,703</u>	<u>22,724,035</u>

(b) The maturity profile of deposits and other accounts is as follows:

	<u>2005</u> ₦'000	<u>2004</u> ₦'000
Under 1 month	30,130,290	21,293,426
1 - 3 months	2,446,538	1,395,628
3 - 6 months	25,498	31,694
6 - 12 months	5,377	3,287
	<u>32,607,703</u>	<u>22,724,035</u>



11. Due to Banks

(a) Balances due to banks comprise:

	2005 ₦'000	2004 ₦'000
Secured interbank takings	797,100	849,947
Foreign borrowing (see Note (b) below)	1,993,219	-
	<u>2,790,319</u>	<u>849,947</u>

The maturity profile of secured inter-bank takings is as follows:

	2005 ₦'000	2004 ₦'000
Under 1 month	<u>797,100</u>	<u>849,947</u>

(b) Foreign borrowing represents trade loans granted the Bank by its foreign correspondent banks in respect of letters of credit negotiated on the Bank's behalf for its customers. The corresponding receivables from these customers are included in Loans and Advances.

12. Other Facilities

(a) Other facilities represents obligation to Afrexim in respect of the Bank's role as an intermediary (see Note 4) in the disbursement of credits.

	2005 ₦'000	2004 ₦'000
Due to African Export-Import Bank (Afrexim)	-	468,475

(b) The maturity profile of amounts received from Afrexim stated in (a) above for on-lending is as follows:

	2005 ₦'000	2004 ₦'000
Over 12 months	<u>-</u>	<u>468,475</u>

13. Other Liabilities

Other liabilities comprise:

	2005 ₦'000	2004 ₦'000
Foreign currency denominated liabilities in respect of customers' obligations (see Note 1(e))	1,634,154	1,168,233
OBB Takings (see Note 6(c))	13,575,000	1,900,000
Interest payable	67,025	14,080
Accrued expenses	25,997	17,240
Managers' cheques	556,672	186,447
Unearned income	973,207	128,997
Staff Pension Fund	6,408	3,600
Others	118,359	436,069
	<u>16,956,822</u>	<u>3,854,666</u>

14. Taxation Payable

(a) The movement on this account during the year was as follows:

	2005 ₤'000	2004 ₤'000
Beginning of year	215,335	153,519
Current year charge (see Note (c) below)	200,474	202,175
Payments during the year	(199,525)	(140,359)
End of year	<u>219,284</u>	<u>215,335</u>

(b) The movement on deferred tax account during the year was as follows:

	2005 ₤'000	2004 ₤'000
Beginning of year	226,219	114,117
Charge for the year	49,044	112,102
End of year	<u>275,263</u>	<u>226,219</u>

(c) The tax charge for the year comprises:

	2005 ₤'000	2004 ₤'000
Income tax	167,767	168,581
Education tax	32,707	33,594
	<u>200,474</u>	<u>202,175</u>
Deferred tax charge	49,044	112,102
	<u>249,518</u>	<u>314,277</u>

The current tax charge has been computed at the current company income tax rate of 30% (2004: 30%) plus 2% (2004: 2%) Education Levy for the year on the profit for the year after adjusting for certain items of income and expenditure which are not deductible or chargeable for tax purposes.

15. Dividend Payable

The movement on this account during the year was as follows:

	2005 ₤'000	2004 ₤'000
Beginning of year	300,000	135,000
Proposed dividend	-	300,000
Payments during the year	(300,000)	(135,000)
End of year	-	300,000

16. Share Capital

Share capital comprises:

	2005 ₤'000	2004 ₤'000
(a) Authorised: 12,000,000,000 (2004: 4,000,000,000 ordinary shares of 50k each)	6,000,000	2,000,000
Issued and fully paid: 8,111,214,625 ordinary shares of 50k each (2004: 3,000,000 of 50k each)	4,055,607	1,500,000

(b) The movement on this account during the year was as follows:

	2005 ₤'000	2004 ₤'000
Balance, beginning of year	1,500,000	1,350,000
Bonus issue capitalized	500,000	150,000
Offer for subscription (See Note (c) below)	2,055,607	-
Balance, end of year	4,055,607	1,500,000

- (c) During the year, the Bank offered 4,000,000,000 ordinary shares for subscription at ₦2.90 per share, out of which 4,111,214,625 were allotted and paid for. The proceeds from the offer was accounted as follows:

	2005 ₦'000
Gross Proceeds from Offer	11,922,522
Share issue expenses	(1,054,943)
Net proceeds	<u>10,867,579</u>
Transfer to issued and fully paid share capital account (see Note (b) above)	(2,055,607)
Transfer to share premium account (see Note 18)	(8,811,972)
	<u><u>-</u></u>

17. Bonus Issue Reserve

The movement on this account during the year was as follows:

	2005 ₦'000	2004 ₦'000
Balance, beginning of year	500,000	150,000
Transfer from share premium (See Note (18) below)	276,218	329,536
Transfer to paid-up share capital	(500,000)	(150,000)
Transfer from general reserve (See Note (21))	303,155	170,464
Balance, end of year	<u><u>579,373</u></u>	<u><u>500,000</u></u>

- (a). Subsequent to the balance sheet date, the directors proposed a bonus issue of one ordinary share for every seven existing shares as at year end. Accordingly, an amount of ₦579 million has been transferred to a bonus issue reserve account.

18. Share Premium

	2005 ₦'000	2004 ₦'000
Balance, beginning of year	-	329,536
Transfer to bonus issue reserve (see Note 17)	(276,218)	(329,536)
Premium from share issue (see Note 16c)	8,811,972	-
Balance, end of year	<u><u>8,535,754</u></u>	<u><u>-</u></u>

19. Statutory Reserve

The movement on this account during the year was as follows:

	2005 ₦'000	2004 ₦'000
Balance, beginning of year	487,785	296,543
Transfer from profit and loss account	150,455	191,242
Balance, end of year	<u>638,240</u>	<u>487,785</u>

In accordance with existing legislation, the Bank transferred 30% (2004: 30%) of its profit after taxation to statutory reserve.

20. Small and Medium Industries Reserve

The movement on this account during the year was as follows:

	2005 ₦'000	2004 ₦'000
Balance, beginning of year	187,847	92,672
Transfer from profit and loss account	75,103	95,175
Balance, end of year	<u>262,950</u>	<u>187,847</u>

In accordance with Monetary, Credit, Foreign Trade & Exchange Policy Guidelines for 2001 fiscal year of the Central Bank of Nigeria, 10% of profit before taxation for the year ended 31 March 2005 (2004: 10%) has been transferred to small and medium industries reserve.

21. General Reserve

The movement on this account during the year was as follows:

	2005 ₦'000	2004 ₦'000
Beginning of year	27,198	146,606
Transfer from profit and loss account	275,957	51,056
Transfer to bonus issue reserve (see note 17)	(303,155)	(170,464)
End of year	<u>-</u>	<u>27,198</u>

22. Acceptances, Bonds, Guarantees and Other Obligations

These comprise:

(a) Amounts for the account of customers

	2005 ₦'000	2004 ₦'000
Guaranteed BAs/CPs	1,520,000	2,670,937
Transaction-related bonds and guarantees	5,336,187	3,572,667
Letters of Credit	7,641,220	6,882,336
Guaranteed Facilities (see Note (b) below)	265,700	267,700
	<u>14,763,107</u>	<u>13,393,640</u>

(b) This represents amount disbursed by Afrexim to customers for which the Bank served as guarantor.

(c) **Claims and Litigation**

There are litigation claims against the Bank as at 31 March 2005 amounting to ₦3,263,441,085 (2004: ₦805 Million). These claims arose in the normal course of business and are being contested by the Bank. The Directors, having sought the advice of professional legal counsel, are of the opinion that no significant liability will crystallize from these cases. No provisions are therefore deemed necessary for these claims.

23. Interest and Discount Income

Interest and discount income comprise:

	<u>2005</u> ₦'000	<u>2004</u> ₦'000
Source:		
Lending to Financial Institutions	72,774	50,794
Lending to non-bank customers	2,717,325	1,893,938
Interest Income on Securities trading	1,139,149	801,126
	<u>3,929,248</u>	<u>2,745,858</u>
Geographical location:		
Earned in Nigeria	3,908,555	2,741,499
Earned outside Nigeria	20,693	4,359
	<u>3,929,248</u>	<u>2,745,858</u>

24. Interest Expense

Interest expense comprises:

	<u>2005</u> ₦'000	<u>2004</u> ₦'000
Source:		
Borrowing from Financial Institutions	182,959	129,937
Borrowing from non-bank depositors	972,521	800,556
Interest expense on Securities trading	421,075	514,840
	<u>1,576,555</u>	<u>1,445,333</u>
Geographical location:		
Paid in Nigeria	1,529,470	1,427,045
Paid outside Nigeria	47,085	18,288
	<u>1,576,555</u>	<u>1,445,333</u>

25. Provision

(a) Provision for risk assets comprise:

	<u>2005</u> ₤'000	<u>2004</u> ₤'000
Loans and advances:		
- Specific	713,801	286,304
- General	47,159	51,139
	<u>760,960</u>	<u>337,443</u>
Other facilities	-	4,685
Provision for advances under finance lease	14,677	430
General Provision no longer required on other facilities	(4,685)	-
Loan amount written off	-	15,100
	<u>770,952</u>	<u>357,658</u>

(b) Provision for Other Assets and Bank Balances Comprise:

	<u>2005</u> ₤'000	<u>2004</u> ₤'000
Other assets (see Note 6(b))		
- Write back during the year	-	(9,578)
- Provision during the year	131,943	37,831
	<u>131,943</u>	<u>28,253</u>
Bank balances (see Note 1(a))	81,533	-
	<u>213,476</u>	<u>28,253</u>

26. Other Banking Income

This comprises:

	<u>2005</u> ₤'000	<u>2004</u> ₤'000
Income from foreign exchange transactions	580,484	391,749
Commissions and similar income	1,356,398	1,092,655
Fees	1,090,242	725,208
Lease rental	523,278	517,076
Other income	15,205	42,540
	<u>3,565,607</u>	<u>2,769,228</u>

27. Profit Before Taxation

(a) General:

Profit before taxation for the year is stated after charging/(crediting) the following:

	<u>2005</u> N'000	<u>2004</u> N'000
Depreciation on fixed assets	466,629	311,914
Depreciation on equipment on lease	260,235	205,408
Auditors' remuneration	13,000	14,000
Deposit insurance premium	103,365	90,538
Profit on disposal of fixed assets	(8,009)	(3,922)
	<u><u>1,213,617</u></u>	<u><u>896,293</u></u>

(b) Staff and Directors' Costs:

i. Employees' cost including those of executive directors, during the year amounted to:

	<u>2005</u> N'000	<u>2004</u> N'000
Wages and salaries	1,198,172	885,843
Other pension costs	15,445	10,450
	<u><u>1,213,617</u></u>	<u><u>896,293</u></u>

ii. The average number of persons employed during the year was:

	<u>2005</u> Number	<u>2004</u> Number
Managerial	78	60
Other staff	273	256
	<u><u>351</u></u>	<u><u>316</u></u>

iii. Employees, other than directors, earning more than ₦60,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contributions and certain benefits) in the following ranges:

	<u>2005</u> Number	<u>2004</u> Number
₦240,001 - ₦250,000	-	6
₦610,001 - ₦620,000	8	2
₦900,001 - ₦910,000	4	-
₦1,190,001 - ₦1,200,000	0	104
₦1,490,001 - ₦1,500,000	100	-
₦1,890,001 - ₦1,900,000	-	49
₦2,370,001 - ₦2,380,000	66	-
₦2,390,001 - ₦2,400,000	-	54
₦2,840,001 - ₦2,850,000	-	30
₦2,990,001 - ₦3,000,000	48	-
₦3,440,001 - ₦3,450,000	-	24
₦3,490,001 - ₦3,500,000	46	-
₦3,940,001 - ₦3,950,000	-	16
₦3,980,001 - ₦3,990,000	2	-
₦4,310,001 - ₦4,320,000	24	-
₦4,930,001 - ₦4,940,000	18	-
₦5,390,001 - ₦5,400,000	-	10
₦5,990,001 - ₦6,000,000	-	12
₦6,750,001 - ₦6,760,000	16	-
₦6,990,001 - ₦7,000,000	-	4
₦7,490,000 - ₦7,500,000	9	-
₦8,640,001 - ₦8,650,000	-	1
₦8,750,000 - ₦8,760,000	6	-
₦10,090,001 - ₦10,100,000	-	2
₦10,100,000 - ₦10,110,000	-	2
₦10,810,000 - ₦10,820,000	3	-
₦12,620,000 - ₦12,630,000	1	-
	351	316

(c) Directors' Remuneration:

Remuneration paid to directors of the Bank (excluding pension contributions and other benefits) was as follows:

	<u>2005</u> ₦'000	<u>2004</u> ₦'000
Fees as directors	430	359
Other emoluments:		
Executive directors	38,037	28,610
Other directors	15,618	13,216
	54,085	42,185

The Directors' remuneration shown above includes:

	<u>2005</u> N'000	<u>2004</u> N'000
Chairman	2,755	2,250
Highest paid director:	<u>14,591</u>	<u>14,555</u>

The emoluments of all other directors fell within the following ranges:

	<u>2005</u> Number	<u>2004</u> Number
N2,500,001 - N3,000,000	6	4
N3,000,001 - N3,010,000	-	1
N9,000,000 - N9,500,000	1	-
N14,050,001 - N14,060,000	-	1
N14,060,001 - N14,100,000	<u>1</u>	<u>-</u>

28. Earnings and Dividend per Share

Unadjusted earnings per share and dividend per share are based on the profit after taxation and a weighted average number of ordinary shares outstanding during the year ended 31 March 2005 of 4,342,601,219 (2004: 3,000,000,000).

Adjusted earnings per share are based on the profit after taxation and the number of ordinary shares outstanding during the year ended 31 March 2005 (excluding ordinary shares from fresh issues during the year) of 4,000,000,000 (2004: 3,000,000,000).

29. Net Cash Flow from Operating Activities Before Changes in Operating Assets

This comprises:

	<u>2005</u> N'000	<u>2004</u> N'000
Profit before taxation	751,033	951,750
Adjustments to reconcile profit before taxation to net cash flow from operations:		
- depreciation on fixed assets	466,629	311,914
- depreciation on equipment on lease	260,235	205,408
- profit on disposal of fixed assets	(8,009)	(3,922)
- fixed asset written off	7,190	-
- provision for risk assets	770,952	357,658
- provision on other assets (Note 25 (b))	213,476	28,253
Net cash flow from operating activities	<u>2,461,506</u>	<u>1,851,061</u>

30. Changes in operating assets:

This comprises:

	<u>2005</u> ₤'000	<u>2004</u> ₤'000
(Increase)/decrease in operating assets:		
- Short-term investments	(213,238)	(5,917,855)
- Loans and advances	(5,482,742)	(5,308,694)
- Other facilities	468,475	-
- Advances under finance lease	(119,428)	(42,993)
- Other assets	(24,447,292)	1,541,921
- Reclassification to other assets	1,191	11,288
Increase/(decrease) in operating liabilities:		
- Deposits and other accounts	9,883,668	13,415,045
- Due to banks	1,940,372	(506,852)
- Other facilities	(468,475)	-
- Other liabilities	13,102,156	(5,293,592)
	<u>(5,335,313)</u>	<u>(2,101,732)</u>

31 (1) - Insider Credits

S/No.	Name of Borrower	Acct No	Relationship to Reporting Institution	Date Granted	Expiry Date	Rate of interest	Outstanding Credit				Perfecting Security		Nature	Value	Date of Valuation	Remarks
							Principal	Cummulative interest	Total provision	Payment made	Performing	Non performing				
						%	N000	N000	N000	N000	N000	N000				
1.	DotDot Nigeria Limited	0140150000434	Ex-Director	04/30/03	07/30/03	22.5	9,700	1,820	4,992	6,528	0	4,992	Mortgage PG	11,500 9,700	Apr-03 Apr-03	Not perfected Perfect
2.	Coscharis Motors Ltd	0140010000883	Director	08/29/03	01/10/05	23.0	660,000	123,828	0	260,000	150,000 144,733 110,000	0 0 0	Legal Mortgage Debenture PG Legal Mortgage Lien on Shares	15,000 100,000 35,000 585,647	Nov-04 Nov-04 Nov-04 Nov-04	Not perfected Perfect Perfect Not perfected
3.	Macaw Communication	0140010006019	Ex-Director	08/20/02	02/18/04	8.0	222,381	25,796	0	130,216	117,961	0	PG Legal Mortgage	0		Perfect Perfect
4.	Integrated Wireless Technologies	0140010002040	Director	08/09/04	08/08/05	22.5	20,000	6,661	0	6,661	20,000	0	Debenture PG	61,900	Aug-04	Perfect Perfect
5.	Aluko & Oyebo	0020010002960	Chairman	11/28/03	03/09/06	22.5	35,000	16,130	0	14,480 7,188 6,832	11,597	0	Lien on Equipment PG	20,311	Nov-03	Perfect Perfect
													Cash Backed	5,200		Perfect
6.	Combined Ind	0140010011802	Chairman	01/30/04	06/30/06	23.0	102,000	28,656	0	28,656	102,000	0	Mortgage	100,000	May-03	Not perfected
	Agro Con												Domiciliation	\$1,000	May-03	
	Perfect												Domiciliation	\$630,000 Lien on Shares	May-03	146,122 Nov-04
7.	Wigwe Christian	0140020006445	Director	03/29/04	04/28/04	22.5	3,000	209	0	3,186	3,000	0	Domiciliation	3,000	Mar-04	
8.	MTN Nigeria Communications	0140010022718	Director	12/08/04	02/15/05	19.0	993,900	345,338	0	345,338	993,900	0	Pari Pasu Interest on Debenture	993,900	Dec-05	Perfect
9.	TeleAfrica Nigeria Limited	0140150001379	Ex-Director	Long outstanding debt			14,461	4,788	20,557	0	0	20,557			N/A	
10.	Union Dicon Salt Plc	0110010000014	Ex-Director	06/14/04	06/27/04	22.5	100,000	45,611	0	22,894	0	122,707		540,000		
11.	Access Invest. & Sec. Ltd.	0140150000332	Subsidiary	04/08/02	01/31/03	22.5	35,422	12,210	47,631	0	0	47,631		0		
12.	Henige Prod. Nig. Ltd.	0240010001846	Director	07/29/04	01/31/06	29.0	80,000	16,671	0	16,671	80,000	0	Legal Mortgage	38	Jul-04	Not perfected
13.	Divine-Pharmacy Nig. Ltd	0080010007507	Chairman	01/26/05	01/25/06	19.0	1,000	43	0	43	1,000	0	PG	1,000	Jan-05	Perfect
14.	Okumu Oil Palm Co. Ltd	0230010002868	Chairman	08/02/04	12/31/07	19.0	250,000	47,910	0	47,910	250,000	0	Debenture Cash Backed	3,800,000 150,000	Aug-04	Not perfected
15.	Blatech Ltd	0140010008717	Director	06/12/04	12/09/04	27.0	140,000	16,992	0	26,993	130,000	0	Lien On Shares	228,900	Jun-04	Perfect
16.	Wemy Ind Ltd	0140010000114	Ex-Director	10/13/03	08/18/05	22.5	127,700	14,427	0	76,524	81,244	0	Debenture	250,000	Nov-03	Perfect
													Legal Mortgage	175,000	Nov-03	Perfect
													Legal Mortgage	182,400	Nov-03	Perfect
	Total						2,794,564	707,090	73,180	1,000,120	2,195,435	195,887				



31. Related Party Transactions

During the year, the Bank granted various credit facilities to companies whose directors are also directors of Access Bank Plc at rates and terms comparable to other facilities in the Bank's portfolio. An aggregate of ₦2,391,322,000 (2004: ₦767,281,000) was outstanding on these various facilities at the end of the year, of which ₦195,887,000 (2004: Nil) were non-performing. Details of the non-performing credits are on note 31 (1).

32. Contraventions

During the year, the Bank paid a total of ₦13 million being ₦1 million each for each of the following contraventions of BOFIA, 1991 and CBN circulars:

<u>Section of BOFIA</u>	<u>Nature of Contravention</u>	<u>Number of times</u>
24(1) (2), 25(2) and 28(1)	Failure to disclose AISEC as one of its subsidiaries in the MBR 300 and for not reporting some director-related facilities in the QBR 650.	1
20(2) (a) (ii)	Granting of facilities to some director-related companies without adequate securities.	1
20 (2) (f)	Acquiring real estate without the prior approval of the CBN.	1
47 & 60	Allowing fixed assets acquisition to exceed shareholders' fund contrary to CBN's directive.	1
6	Closure of two branches without prior approval of CBN	1
24 (1) (2) & 28 (1)	Rendition of inaccurate returns to the regulatory authorities through the abuse of the use of Commercial Papers and Bankers Acceptances as well as the understatement of its fixed assets.	1
19 (4) & 5	Failure to ensure execution of the Code of Conduct forms by the Managing Director/Chief Executive Officer, Deputy Managing Director and a director.	1
44 (2)(b)	Failure to service the facility granted to the company of a non-executive director of the bank.	1

15 (4) (a & c)	Non attainment of statutory minimum liquidity ratio of 40%.	2
<u>CBN Circulars</u>		
CBN circulars of 20 th March, 1995	Failure to provide minimum information required in credit print-outs.	1
CBN circulars of 31 st March 2004	Booking Commercial Papers and Bankers Acceptances up to 255% of shareholders' fund.	1
CBN circulars of 22 nd December 2000	Lending to some customers amounts that exceeded its single obligor limit of ₦827.9 million as at 31 st March, 2004.	1

34. Capitalization Plans

Access Bank Plc, Capital Bank International Limited and Marina International Bank Limited are merging by way of a Scheme of Arrangement. The proposed merger is expected to bring about substantial cost savings, improved efficiency and an expanded product and customer range.

Additionally, the merger is expected to achieve the minimum capital requirement for banks set at ₦25billion by the Central Bank of Nigeria, before 31 December, 2005. It is intended that the assets, liabilities and undertakings of Capital and Marina Banks will be transferred to Access Bank and Access Bank will issue its shares to the shareholders of Capital and Marina Banks. The name of the new entity will be Access Bank Plc.

35. Prior-year Comparatives

Certain prior year balances have been reclassified in line with current year presentation format.

Statement of Value Added

	2005 ₤'000	%	2004 ₤'000	%
Gross earnings	7,494,855		5,515,086	
Interest expense	(1,576,555)		(1,445,333)	
	<u>5,918,300</u>		<u>4,069,753</u>	
Loan loss expense	(770,952)		(357,658)	
(Provision) on other assets and bank balances	(213,476)		(28,253)	
Bought-in materials and services	(2,242,358)		(1,318,477)	
	<u>2,691,514</u>	100	<u>2,365,365</u>	100
Applied to pay:				
Employee costs	1,213,617	45	896,293	38
Government as taxes	249,518	9	314,277	13
Shareholders as dividend	-	-	300,000	13
Retained in the business:				
-Depreciation				
-Fixed asset	466,629	17	311,914	13
Equipment on lease	260,235	10	205,408	9
-Profit for the year (including statutory and small and medium industries reserves)	501,515	19	337,473	14
	<u>2,691,514</u>	100	<u>2,365,365</u>	100

Five-Year Financial Summary

	2005 ₦'000	2004 ₦'000	2003 ₦'000	2002 ₦'000	2001 ₦'000
ASSETS:					
Cash and short-term funds	11,811,850	5,527,375	7,682,782	3,794,586	2,133,916
Short-term investments	7,990,980	7,777,742	1,859,887	1,669,490	1,532,444
Loans and advances	16,183,353	11,461,571	6,505,420	4,248,697	2,794,614
Other facilities	-	463,790	-	-	-
Advances under finance lease	150,188	45,437	2,874	42,451	-
Other assets	27,213,502	2,898,153	4,468,327	583,469	708,516
Long-term investments	394,500	307,000	257,000	114,018	122,250
Fixed assets	2,417,425	1,843,687	1,400,052	890,230	736,217
Equipment on lease	756,517	1,016,752	405,698	-	-
	66,918,315	31,341,507	22,582,040	11,342,941	8,027,957
LIABILITIES:					
Deposits and other accounts	32,607,703	22,724,035	9,308,990	6,475,336	4,859,315
Due to banks	2,790,319	849,947	1,356,799	-	563,357
Other facilities	-	468,475	-	-	-
Other liabilities	16,956,822	3,854,666	9,148,258	2,846,462	1,627,886
Taxation payable	216,284	215,335	153,519	69,249	57,906
Dividend payable	-	300,000	135,000	-	-
Deferred taxation	275,263	226,219	114,117	8,110	-
	52,846,391	28,638,677	20,216,683	9,399,157	7,108,464
NET ASSETS:	14,071,924	2,702,830	2,365,357	1,943,784	919,493
CAPITAL AND RESERVES:					
Share capital	4,055,607	1,500,000	1,350,000	1,350,000	600,000
Bonus issue reserve	579,373	500,000	150,000	-	150,000
Share premium	8,535,754	-	329,536	479,536	-
Statutory reserves	638,240	487,785	296,543	129,571	129,571
Small and medium industries reserve	262,950	187,847	92,672	11,608	11,608
General reserve	-	27,198	146,606	(26,931)	28,314
	14,071,924	2,702,830	2,365,356	1,943,784	919,493
Commitments and Contingencies	14,763,107	13,393,640	6,376,970	2,735,705	1,318,690
Total Assets and Contingencies	81,681,422	44,735,147	28,959,010	14,078,646	9,346,647
Gross earnings	7,494,855	5,515,086	4,367,887	2,604,378	1,589,555
Profit/(loss) on ordinary activities before exceptional charge	751,033	951,750	1,010,805	(17,947)	116,081
Exceptional charge	-	-	(200,166)	-	-
Profit/(loss) before taxation	751,033	951,750	810,639	(17,947)	116,081
Profit/(loss) after taxation	501,515	637,473	556,573	(55,245)	77,743
Dividend	-	300,000	135,000	-	-
Unadjusted Earnings/(loss) per share	12k	21k	21k	(2k)	6k
Adjusted Earnings/(loss) per share	12k	16k	14k	(1k)	(2k)
Dividend per share	-	10k	5k	-	-
Number of ordinary shares of 50k	8,111,215	3,000,000	2,700,000	2,700,000	1,200,000



Shareholders' Information

The Bank was registered as a private limited liability company on 8 February, 1989 and commenced business on 11 May, 1989. The Bank was converted to a public limited liability company on 24 March, 1998 and was listed on the Nigerian Stock Exchange on 18 November, 1998. Since the listing, the Bank has paid dividends and issued bonus shares as indicated hereunder.

Gross Earnings

Financial Year Ended	Dividend Number	Final or Interim	Amount Declared	Gross Unclaimed Amount	Amount Paid per 50k Share
31/03/1999	01	Final	54,000,000	1,110,836.09	4.5k
31/03/2000	02	Final	90,000,000	4,014,154.26	7.5k
31/03/2003	03	Final	135,000,000	5,014,211.03	5k
31/03/2004	04	Final	300,000,000	15,558,314.76	10k

Scrip Issue

Date	Description	No. of ordinary shares	Amount capitalised	Ratio
11/05/1998	Public issue for cash	660,000,000	462,000,000	-
21/09/2001	Bonus	300,000,000	150,000,000	1 for 4
23/09/2001	Public issue for cash	1,200,000,000	1,200,000,000	-
31/03/2003	Bonus	300,000,000	150,000,000	1 for 9
30/08/2004	Bonus	1,000,000,000	500,000,000	1 for 3

Unclaimed Dividends/Certificates

Our records indicate that some dividend warrants and bonus share certificates have been returned unclaimed for various reasons. A list of unclaimed dividends is attached to this Annual Report. Please contact the Registrar (Wema Registrars Limited, A.G. Leventis Building, 2nd Floor, 42/43, Marina, Lagos) for the re-issuance of any unclaimed dividend warrant, or unclaimed certificate.



Proxy Form

16th ANNUAL GENERAL MEETING to be held at the Lagoon Restaurant, Ozumba Mbadiwe Avenue, Victoria Island, Lagos on August 31, 2005 at 11:00a.m.

I/We, _____

being a member/members of Access Bank Plc appoint

_____ or failing him Mr. Gbenga Oyeboode, or failing him Mr. Aigboje Aig-Imoukhuede, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on August 31, 2005 at 11:00a.m.2005, and at any adjournment thereof.

Dated this.....day of.....2005

Name of Shareholder: _____

Signature of Shareholder

NUMBER OF SHARES		
RESOLUTIONS	FOR	AGAINST
1. To approve audited accounts		
2. To elect/re-elect Directors		
3. To authorise the Directors to fix the auditors' remuneration		
4. To elect/re-elect members of the Audit Committee		
5. To fix Directors' fees		
6. To authorise increase in share capital		
7.. To amend Memorandum and Articles of Association		
8. To authorise bonus		

Please indicate with an "X" in the appropriate box how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

IMPORTANT

- Before posting the above form proxy, please tear off this part and retain it. A person attending the Annual General Meeting of the Bank or his proxy should produce this card to secure admission to the meeting.
- A member of the Bank is entitled to attend and vote at the Annual General Meeting of the Bank. He is also entitled to appoint a proxy to attend and vote instead of him, and in this case, the above card may be used to appoint a proxy.
- In line with best Industry practice, the names of two Directors of the Bank have been entered on the form of proxy to ensure that someone will be at the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked*) the name of any person, whether a member of the Bank or not, who will attend and vote on your behalf instead of one of the Directors named.
- The above proxy, when completed, must be deposited at the office of the Registry, Wema Registrars Limited, 2nd Floor, A.G. Leventis Building, 42/43 Marina, Lagos, not less than 48 Hours before the time fixed for the meeting.
- It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of Shareholders must bear a stamp duty.
- If the form of proxy is executed by a Company, it should be sealed under its Common Seal or under the hand and seal of its Attorney.

Signature of the person attending

ADMISSION CARD

Annual General Meeting to be held on August 31, 2005 at 11:00a.m.at Lagoon Restaurant, Ozumba Mbadiwe Avenue, Victoria Island Lagos at 11:00 a.m.

I/We _____

Number of Shares: _____



